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The President's Daily Brief

21 February 1973

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~~*Top Secret*~~

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THE PRESIDENT'S DAILY BRIEF

21 February 1973

PRINCIPAL DEVELOPMENTS

The Laos cease-fire agreement signed late yesterday is to go into effect at midnight tonight. Meanwhile, both sides continue military efforts to increase their holdings. *(Page 1)*

North Vietnamese intercepts indicate that 15 infiltration groups totaling some 800 personnel are to move south between 19 and 25 February. *(Page 3)*

[redacted] 25X1

[redacted] *(Page 4)* 25X1

Developments in the international monetary situation are discussed on *Page 5*.

The Soviet UN delegation has shown some disquiet about the Security Council meeting in Panama next month. *(Page 6)*

The EC Commission has moved to neutralize the effect of the dollar devaluation on US agricultural exports. *(Page 7)*

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LAOS

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The cease-fire agreement signed late yesterday is to go into effect at midnight tonight Washington time. The text of the agreement is not yet available [redacted] 25X1

[redacted] The agreement will be supervised by the International Control Commission using the 1962 Geneva Accords as the terms of reference. 25X1

The comprehensive nature of the agreement came as a surprise to Souvanna's own cabinet. Lao Communist leader Souphanouvong on Sunday proposed a relatively simple interim cease-fire arrangement that would have allowed Souvanna more time to overcome rightist objections to the terms of a political settlement reached during private sessions. The rightists were particularly opposed to an even split of cabinet posts with the Communists. In initialing a comprehensive settlement, Souvanna presented a fait accompli to the rightists.

A special session of the Lao cabinet yesterday, at which Souvanna disclosed the terms of the agreement, ended bitterly with the rightists accusing the prime minister of capitulating to the Communists. Following this meeting, the rightists agreed to lodge one more protest with Souvanna before the formal signing ceremony, but apparently arrived at no other course of action. They seem to realize that they have little choice but to accept the agreement while the Prime Minister has firm US support.

Meanwhile, both sides continue military efforts to increase their holdings. Government irregulars and North Vietnamese troops are battling for the

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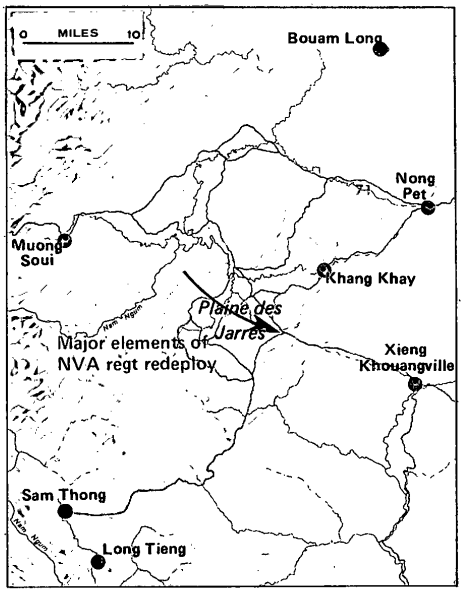

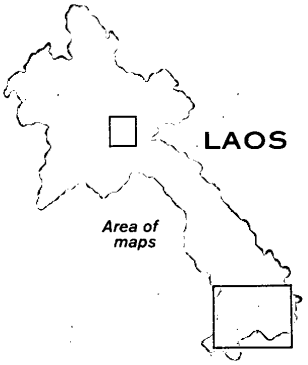

● Government-held location
● Communist-held location

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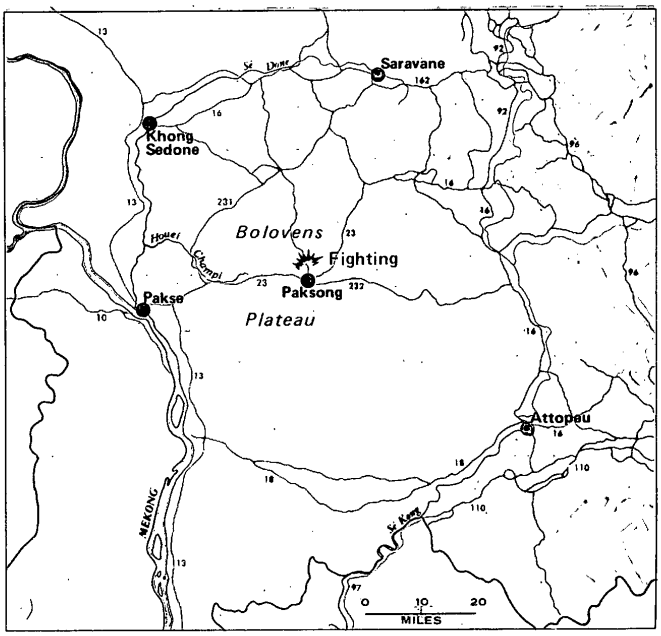

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hills around Paksong on the Bolovens Plateau, but the government remains in firm control of the town. In the central panhandle, the Communists have fended off an attempt by a government force to move into Muong Phalane and it appears that future cease-fire lines are well established in this sector. East of the Plaine des Jarres, major elements of a North Vietnamese regiment are moving toward Xieng Khouang-ville, presumably to counter irregular troops that recently moved onto a ridge overlooking Route 4 near the town.

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VIETNAM

Intercepted North Vietnamese messages indicate that 15 infiltration groups totaling some 800 personnel are to move south through the Vinh area of North Vietnam between 19 and 25 February. Thirteen groups--about 600 men--are headed for South Vietnam, mostly to the central and southern portions of the country. The other two groups are going to southern Laos and northeastern Cambodia.

These are the first personnel noted entering the infiltration pipeline since 16 January. All of them are civilian and military specialists--none is infantry--and they are probably part of an effort by Hanoi to strengthen the Communist organizational apparatus.

Other intercepts disclose that some of the infiltration groups that headed south before 16 January are now leaving Laos and moving into the central highlands and toward the southern provinces of South Vietnam.

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INTERNATIONAL MONETARY DEVELOPMENTS

There was a sudden substantial surge of dollar selling by the Bundesbank just before closing yesterday. Reportedly about $400 million was needed to keep the mark above its floor. Dollar sales by the Bundesbank reflect in part a divesting of speculative mark holdings from the roughly $6 billion taken before the dollar's devaluation. Elsewhere, the dollar closed mixed in light trading on foreign currency markets, while money managers continued to assess their positions.

Apparently no intervention by the Swiss National Bank occurred following its announcement Monday that it would resume dollar purchases if necessary to keep the Swiss franc from rising significantly above its present level. Gold reached another postwar European high with a price in London of $76.50 in the face of heavy demand, reflecting continued uncertainty.

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USSR-PANAMA-UN

The Soviet UN delegation has shown some disquiet about the Security Council meeting in Panama next month. In a conversation with a US official on 15 February, a member of the Soviet delegation noted that some countries might use the occasion to attack Cuba for its support of subversion in Latin America and that a sticky debate could develop in regard to the creation of a Latin American Nuclear-Free Zone. The Soviet official attempted to reassure the US official that "the Cubans are not the same as they used to be" and hinted that Cuba may be somewhat restrained at the meeting.

Although the Soviets will not wish to appear weak in support for the Latin Americans, they seem wary of appearing to challenge US interests in the hemisphere. They clearly wish to avoid any unnecessary East-West polemics during the meetings.

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NOTES

EC-US: The EC Commission has moved to neutralize the effect of the dollar devaluation by adjusting the conversion ratio between the dollar and the EC's unit of account to reflect the new currency alignment. This will cause an increase in the variable import levies applied to grains and other products covered by the Common Agricultural Policy and remove any incentive for larger imports of such items from the US. The levy does not apply to soybeans, the largest US agricultural export to the Community.

USSR-Czechoslovakia: TASS has announced that party chief Brezhnev left for Prague yesterday to attend the 25th anniversary celebration of the Communist take-over. We can identify no compelling reason for Brezhnev's visit. A Czechoslovak Central Committee Plenum that may consider a successor to aging President Svoboda is under way and Brezhnev may wish to put his stamp of approval on the choice of a new president. He may also use the visit to offer some general comments on European security matters.

Uruguay: The military has prevailed on Congress to extend until 30 March the temporary extraordinary security measures that were to expire last Friday. [redacted] 25X1

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Israel-Lebanon: Israeli forces struck near Tripoli in northern Lebanon last night, killing "scores of guerrillas," according to an Israeli military spokesman. The strike reportedly involved land, air, and sea forces, and was said to be aimed at guerrilla bases and installations at Nahr al-Barid and al-Badawi. There also are sizable Palestinian refugee camps in both areas. The spokesman gave no reason for the raid. Beirut has held a tight rein on guerrilla actions since Israel's incursion into southern Lebanon in mid-September of last year. Nahr al-Barid was struck by the Israelis in September 1972. At that time they described it as a fedayeen training base and possible marine base.

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